

Conference Engrossed

State of Arizona
Senate
Forty-fifth Legislature
Second Regular Session
2002

CHAPTER 331

SENATE BILL 1037

AN ACT

AMENDING SECTIONS 23-901, 41-2771, 46-201, 46-203, 46-204, 46-211, 46-213, 46-217, 46-292, 46-294, 46-300.01, 46-341, 46-342, 46-342.01, 46-345, 46-349, 46-350 AND 46-352, ARIZONA REVISED STATUTES; TRANSFERRING AND RENUMBERING SECTION 46-340, ARIZONA REVISED STATUTES, FOR PLACEMENT IN TITLE 46, CHAPTER 2, ARTICLE 5, ARIZONA REVISED STATUTES, AS SECTION 46-300.06; AMENDING SECTION 46-300.06, ARIZONA REVISED STATUTES, AS TRANSFERRED AND RENUMBERED; PROVIDING FOR DELAYED REPEAL OF SECTIONS 46-343, 46-344, 46-347, 46-348, 46-351, 46-353 AND 46-355, ARIZONA REVISED STATUTES; PROVIDING FOR DELAYED REPEAL OF TITLE 46, CHAPTER 2, ARTICLE 9, ARIZONA REVISED STATUTES; RELATING TO THE ARIZONA WORKS PROGRAM.

(TEXT OF BILL BEGINS ON NEXT PAGE)



Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 23-901, Arizona Revised Statutes, is amended to read:

23-901. Definitions

In this chapter, unless the context otherwise requires:

1. "Award" means the finding or decision of an administrative law judge or the commission as to the amount of compensation or benefit due an injured employee or the dependents of a deceased employee.

2. "Co-employee" means every person employed by an injured employee's employer.

3. "Commission" means the industrial commission of Arizona.

4. "Compensation" means the compensation and benefits provided by this chapter.

5. "Employee", "workman", "worker" and "operative" means:

(a) Every person in the service of the state or a county, city, town, municipal corporation or school district, including regular members of lawfully constituted police and fire departments of cities and towns, whether by election, appointment or contract of hire.

(b) Every person in the service of any employer subject to this chapter, including aliens and minors legally or illegally permitted to work for hire, but not including a person whose employment is both:

(i) Casual.

(ii) Not in the usual course of the trade, business or occupation of the employer.

(c) Lessees of mining property and their employees and contractors engaged in the performance of work which is a part of the business conducted by the lessor and over which the lessor retains supervision or control are within the meaning of this paragraph employees of the lessor, and are deemed to be drawing wages as are usually paid employees for similar work. The lessor may deduct from the proceeds of ores mined by the lessees the premium required by this chapter to be paid for such employees.

(d) Regular members of volunteer fire departments organized pursuant to title 48, chapter 5, article 1, regular firemen of any volunteer fire department, including private fire protection service organizations, organized pursuant to title 10, chapters 24 through 40, volunteer firemen serving as members of a fire department of any incorporated city or town or an unincorporated area without pay or without full pay and on a part-time basis, and voluntary policemen and volunteer firemen serving in any incorporated city, town or unincorporated area without pay or without full pay and on a part-time basis, are deemed to be employees, but for the purposes of this chapter, the basis for computing wages for premium payments and compensation benefits for regular members of volunteer fire departments organized pursuant to title 48, chapter 5, article 1, or organized pursuant to title 10, chapters 24 through 40, regular members of any private fire protection service organization, volunteer firemen, and volunteer policemen

1 of these departments or organizations shall be the salary equal to the
2 beginning salary of the same rank or grade in the full-time service with the
3 city, town, volunteer fire department or private fire protection service
4 organization, provided if there is no full-time equivalent then the salary
5 equivalent shall be as determined by resolution of the governing body of the
6 city, town or volunteer fire department or corporation.

7 (e) Members of the department of public safety reserve, organized
8 pursuant to section 41-1715, are deemed to be employees. For the purposes
9 of this chapter, the basis for computing wages for premium payments and
10 compensation benefits for a member of the department of public safety reserve
11 who is a peace officer shall be the salary received by officers of the
12 department of public safety for their first month of regular duty as an
13 officer. For members of the department of public safety reserve who are not
14 peace officers, the basis for computing premiums and compensation benefits
15 is four hundred dollars a month.

16 (f) Any person placed in ~~level three or four of the Arizona works~~
17 ~~program~~, in on-the-job evaluation or in on-the-job training under the
18 department of economic security's temporary assistance for needy families
19 program or vocational rehabilitation program shall be deemed to be an
20 employee of the department for the purpose of coverage under the state
21 workers' compensation laws only. The basis for computing premium payments
22 and compensation benefits shall be two hundred dollars per month. Any person
23 receiving vocational rehabilitation services under the department of economic
24 security's vocational rehabilitation program whose major evaluation or
25 training activity is academic, whether as an enrolled attending student or
26 by correspondence, or who is confined to a hospital or penal institution,
27 shall not be deemed to be an employee of the department for any purpose. Any
28 dividend which the department's vocational rehabilitation program may be
29 entitled to receive from the state compensation fund because of a favorable
30 loss experience for any policy period shall not revert to the state general
31 fund but shall be applied to the department's current premium obligations for
32 workers' compensation coverage for such program.

33 (g) Regular members of a volunteer sheriff's reserve, which may be
34 established by resolution of the county board of supervisors, to assist the
35 sheriff in the performance of the sheriff's official duties. A roster of the
36 current members shall monthly be certified to the clerk of the board of
37 supervisors by the sheriff and shall not exceed the maximum number authorized
38 by the board. Certified members of an authorized volunteer sheriff's reserve
39 shall be deemed to be employees of the county for the purpose of coverage
40 under the Arizona workers' compensation laws and occupational disease
41 disability laws and shall be entitled to receive the benefits of these laws
42 for any compensable injuries or disabling conditions which arise out of and
43 occur in the course of the performance of duties authorized and directed by
44 the sheriff. Compensation benefits and premium payments shall be based upon
45 the salary received by a regular full-time deputy sheriff of the county

1 involved for the first month of regular patrol duty as an officer for each
2 certified member of a volunteer sheriff's reserve. This subdivision shall
3 not be construed to provide compensation coverage for any member of a
4 sheriff's posse who is not a certified member of an authorized volunteer
5 sheriff's reserve except as a participant in a search and rescue mission or
6 a search and rescue training mission.

7 (h) A working member of a partnership may be deemed to be an employee
8 entitled to the benefits provided by this chapter upon written acceptance,
9 by endorsement, at the discretion of the insurance carrier for the
10 partnership of an application for coverage by the working partner. The basis
11 for computing premium payments and compensation benefits for the working
12 partner shall be an assumed average monthly wage of not less than six hundred
13 dollars nor more than the maximum wage provided in section 23-1041 and is
14 subject to the discretionary approval of the insurance carrier. Any
15 compensation for permanent partial or permanent total disability payable to
16 the partner shall be computed on the lesser of the assumed monthly wage
17 agreed to by the insurance carrier on the acceptance of the application for
18 coverage or the actual average monthly wage received by the partner at the
19 time of injury.

20 (i) The sole proprietor of a business subject to this chapter may be
21 deemed to be an employee entitled to the benefits provided by this chapter
22 on written acceptance, by endorsement, at the discretion of the insurance
23 carrier of an application for coverage by the sole proprietor. The basis for
24 computing premium payments and compensation benefits for the sole proprietor
25 shall be an assumed average monthly wage of not less than six hundred dollars
26 nor more than the maximum wage provided by section 23-1041 and is subject to
27 the discretionary approval of the insurance carrier. Any compensation for
28 permanent partial or permanent total disability payable to the sole
29 proprietor shall be computed on the lesser of the assumed monthly wage agreed
30 to by the insurance carrier on the acceptance of the application for coverage
31 or the actual average monthly wage received by the sole proprietor at the
32 time of injury.

33 (j) A member of the Arizona national guard, Arizona state guard or
34 unorganized militia shall be deemed a state employee and entitled to coverage
35 under the Arizona workers' compensation law at all times while the member is
36 receiving the payment of the member's military salary from the state of
37 Arizona under competent military orders or upon order of the governor.
38 Compensation benefits shall be based upon the monthly military pay rate to
39 which the member is entitled at the time of injury, but not less than a
40 salary of four hundred dollars per month, nor more than the maximum provided
41 by the workers' compensation law. No Arizona compensation benefits shall
42 inure to a member compensable under federal law.

43 (k) Certified ambulance drivers and attendants who serve without pay
44 or without full pay on a part-time basis are deemed to be employees and
45 entitled to the benefits provided by this chapter and the basis for computing

1 wages for premium payments and compensation benefits for certified ambulance
2 personnel shall be four hundred dollars per month.

3 (l) Volunteer workers of a licensed health care institution may be
4 deemed to be employees and entitled to the benefits provided by this chapter
5 upon written acceptance by the insurance carrier of an application by the
6 health care institution for coverage of such volunteers. The basis for
7 computing wages for premium payments and compensation benefits for volunteers
8 shall be four hundred dollars per month.

9 (m) Personnel who participate in a search or rescue operation or a
10 search or rescue training operation that carries a mission identifier
11 assigned by the division of emergency management as provided in section
12 35-192.01 and who serve without compensation as volunteer state employees.
13 The basis for computation of wages for premium purposes and compensation
14 benefits is the total volunteer man-hours recorded by the division of
15 emergency management in a given quarter multiplied by the amount determined
16 by the appropriate risk management formula.

17 (n) Personnel who participate in emergency management training,
18 exercises or drills that are duly enrolled or registered with the division
19 of emergency management or any political subdivision as provided in section
20 26-314, subsection C and who serve without compensation as volunteer state
21 employees. The basis for computation of wages for premium purposes and
22 compensation benefits is the total volunteer man-hours recorded by the
23 division of emergency management or political subdivision during a given
24 training session, exercise or drill multiplied by the amount determined by
25 the appropriate risk management formula.

26 (o) Regular members of the Arizona game and fish department reserve,
27 organized pursuant to section 17-214. The basis for computing wages for
28 premium payments and compensation benefits for a member of the reserve is the
29 salary received by game rangers and wildlife managers of the Arizona game and
30 fish department for their first month of regular duty.

31 6. "General order" means an order applied generally throughout the
32 state to all persons under jurisdiction of the commission.

33 7. "Heart-related or perivascular injury, illness or death" means
34 myocardial infarction, coronary thrombosis or any other similar sudden,
35 violent or acute process involving the heart or perivascular system, or any
36 death resulting therefrom, and any weakness, disease or other condition of
37 the heart or perivascular system, or any death resulting therefrom.

38 8. "Insurance carrier" means the state compensation fund and every
39 insurance carrier duly authorized by the director of insurance to write
40 workers' compensation or occupational disease compensation insurance in the
41 state of Arizona.

42 9. "Interested party" means the employer, the employee, or if the
43 employee is deceased, the surviving spouse or dependents, the commission, the
44 insurance carrier or their representative.

1 10. "Mental injury, illness or condition" means any mental, emotional,
2 psychotic or neurotic injury, illness or condition.

3 11. "Order" means and includes any rule, direction, requirement,
4 standard, determination or decision other than an award or a directive by the
5 commission or an administrative law judge relative to any entitlement to
6 compensation benefits, or to the amount thereof, and any procedural ruling
7 relative to the processing or adjudicating of a compensation matter.

8 12. "Personal injury by accident arising out of and in the course of
9 employment" means any of the following:

10 (a) Personal injury by accident arising out of and in the course of
11 employment.

12 (b) An injury caused by the wilful act of a third person directed
13 against an employee because of the employee's employment, but does not
14 include a disease unless resulting from the injury.

15 (c) An occupational disease which is due to causes and conditions
16 characteristic of and peculiar to a particular trade, occupation, process or
17 employment, and not the ordinary diseases to which the general public is
18 exposed, and subject to section 23-901.01.

19 13. "Special order" means an order other than a general order.

20 14. "State compensation fund" includes the state compensation fund,
21 accident benefit fund and occupational disease compensation fund in existence
22 on January 2, 1969 and shall thereafter include all funds under the
23 jurisdiction of the board of directors of the state compensation fund which
24 have been derived from the assessment of premiums, interest, penalties and
25 investment earnings for the payment of all workers' compensation and
26 occupational disease compensation benefits.

27 15. "Weakness, disease or other condition of the heart or perivascular
28 system" means arteriosclerotic heart disease, cerebral vascular disease,
29 peripheral vascular disease, cardiovascular disease, angina pectoris,
30 congestive heart trouble, coronary insufficiency, ischemia and all other
31 similar weaknesses, diseases and conditions, and also previous episodes or
32 instances of myocardial infarction, coronary thrombosis or any similar
33 sudden, violent or acute process involving the heart or perivascular system.

34 16. "Workers' compensation" means workmen's compensation as used in
35 article XVIII, section 8, Constitution of Arizona.

36 Sec. 2. Section 41-2771, Arizona Revised Statutes, is amended to read:
37 41-2771. Definitions

38 In this article, unless the context otherwise requires:

39 1. "Competitive government process" means the process, as developed
40 by the GOVERNOR'S office of management and budget, designed to standardize
41 the methodology for how the state identifies and evaluates state functions
42 to determine if future competitive contracting with the private sector and
43 other state agencies is in the best interest of this state.

44 2. "Competitive government program" means the program, as developed
45 by the governor's office of management and budget, designed to manage the

1 process of introducing private sector and interagency competition into the
2 delivery of state goods and services.

3 3. "Function" means a good or service that is provided through the
4 direct efforts of state employees.

5 4. "Office" means the GOVERNOR'S office of management and budget,
6 established by executive order, or its successor.

7 5. "Privatization" means the utilization of a private sector entity
8 in the delivery of goods and services currently provided by a state function
9 or program.

10 6. "Relevant costs" means those costs that relate to a target function
11 that can be eliminated if the target function is transferred to another
12 agency or the private sector.

13 7. "State agency" means any executive department, office, commission,
14 institution, board or other executive agency of state organization regardless
15 of whether monies are appropriated to the agency. State agency does not
16 include the Arizona board of regents, the universities under its
17 jurisdiction, ~~OR community college districts or the Arizona works program~~
18 ~~established in title 46, chapter 2, article 9.~~

19 8. "Target function" means a current state function that has been
20 identified for review through the competitive government process.

21 9. "Total costs" means all costs borne by an agency to provide a state
22 function including all indirect costs and applicable allocated costs.

23 Sec. 3. Section 46-201, Arizona Revised Statutes, is amended to read:
24 46-201. Application for assistance; notice of penalties

25 A. Application for any form of assistance or service under this title
26 shall be made to a department ~~or Arizona works agency~~ office in this state
27 as specified by the program. The application shall be in writing or reduced
28 to writing upon forms prescribed by the state department ~~or Arizona works~~
29 ~~agency~~ and shall be verified by the oath of the applicant and bear the
30 applicant's witnessed signature. The application shall contain a statement
31 of the amount of property both personal and real in which the applicant has
32 an interest and of all income which the applicant has at the time of filing
33 the application, and a statement of any property assigned or transferred by
34 the applicant within one year immediately prior to filing the application for
35 assistance, and any further information prescribed by the state department
36 ~~or Arizona works agency.~~

37 B. The department ~~and Arizona works agency~~ shall use application forms
38 which contain appropriate notice of the penalties for fraud and shall deliver
39 to each recipient prior to the first payment of assistance or delivery of
40 service and each redetermination thereafter a notice explaining what changes
41 in circumstances require written notification to the department ~~or Arizona~~
42 ~~works agency~~ pursuant to section 46-213, subsection A.

1 Sec. 4. Section 46-203, Arizona Revised Statutes, is amended to read:
2 46-203. Investigation of application; witnesses; financial
3 institutions

4 A. When the department or ~~Arizona works~~ agency receives an application
5 for assistance or service under this title, an investigation and record of
6 the application shall promptly be made, and other information required by the
7 rules of the state department shall be obtained.

8 B. The state department and the officers and authorized
9 representatives thereof may conduct examinations, subpoena witnesses and
10 require attendance of witnesses and production of books, records and papers,
11 and shall pay witnesses the same fees and mileage paid witnesses in civil
12 actions.

13 C. Officers and employees who are thereunto authorized by the state
14 department may administer oaths and affirmations.

15 D. By written request signed by one of its officers, the state
16 department may require any executive officer of a financial institution to
17 furnish to an authorized employee or officer of the department information
18 on current account balances of those persons named in the request as
19 applicants for or recipients of any assistance or service under this title.
20 The method of providing the information and the time frame for reporting this
21 information shall be determined by agreement between the institution and the
22 department.

23 E. By written request signed by one of its officers, the state
24 department may require any executive officer of a financial institution to
25 furnish to an authorized employee or officer of the department information
26 on account balances of those persons named in the request as recipients of
27 any assistance or service under this title for specified periods of time
28 during the previous five years. The method of providing the information,
29 time frame for reporting the information and amount of compensation for the
30 information service shall be determined by agreement between the institution
31 and the department.

32 F. No financial institution shall be liable in any civil action for
33 providing such information unless the information provided is false and the
34 financial institution providing the false information does so knowingly and
35 with malice.

36 Sec. 5. Section 46-204, Arizona Revised Statutes, is amended to read:

37 46-204. Granting of assistance; notice to applicant; award;
38 certification to department of administration;
39 payment of assistance from state and federal funds

40 A. Upon completion of an investigation the local office of the
41 department or ~~Arizona works~~ agency shall decide, according to the policies
42 and rules of the state department, whether the applicant is eligible for the
43 assistance or service applied for and shall determine the amount of
44 assistance or service and the date on which it shall begin. In making the
45 determination of eligibility and amount of assistance, the department or

1 ~~Arizona works agency~~ shall exclude as income and resources all agent orange
2 payments in accordance with P.L. 101-201.

3 B. The applicant shall be notified of the decision in writing. The
4 assistance shall be paid at least once monthly to THE applicant. When an
5 application is rejected wholly or in part, or when modification of assistance
6 is made, written notice shall be given to the applicant. Such notice shall
7 inform the applicant or recipient of the right to a hearing on the rejection
8 or modification.

9 C. When assistance is granted, the state department or ~~Arizona works~~
10 ~~agency~~ OF ECONOMIC SECURITY shall make an award setting forth the date, the
11 recipient's name, age and residence, the amount of monthly assistance, and
12 other determinations or information it deems necessary, and shall certify to
13 the department of administration the facts with respect thereto on a form
14 prescribed by the state department. The award shall be binding until changed,
15 modified, suspended or discontinued or until the death of the recipient. The
16 assistance shall commence on the date specified in the award.

17 D. When funds have been expended on rehabilitating a recipient, the
18 department may accept reimbursement after the recipient has completed
19 training or education and secured a job.

20 Sec. 6. Section 46-211, Arizona Revised Statutes, is amended to read:

21 46-211. Periodic reconsideration and change in amount of
22 assistance

23 A. All assistance or service grants made under this title shall be
24 reconsidered by the state department or ~~Arizona works agency~~ as frequently
25 as required by the rules of the department. After further investigation as
26 the department deems necessary, the amount of assistance or service may be
27 changed or assistance or service withdrawn if the department finds that the
28 recipient's circumstances have altered sufficiently to warrant such action.
29 The department may at any time cancel and revoke assistance or service for
30 cause, and it may for cause suspend assistance or service for such period as
31 it deems proper.

32 B. All decisions made under the provisions of this section shall be
33 subject to review and the granting of an opportunity for a fair hearing by
34 the state department as provided by law.

35 Sec. 7. Section 46-213, Arizona Revised Statutes, is amended to read:

36 46-213. Duty of recipient to notify department of change in
37 status; recovery of excess assistance paid;
38 classification

39 A. If at any time while receiving assistance the recipient of such
40 assistance knowingly acquires any property or receives any increase in income
41 or property, or both, in excess of income or property declared at the time
42 of determination or redetermination of eligibility, or if there is any other
43 change in circumstances affecting the recipient's eligibility, the recipient
44 shall within the number of days specified by rules of the department notify
45 the department or ~~Arizona works agency~~ and provide verification of the

1 acquisition of such property, receipt of such income or change in
2 circumstances. Any recipient of aid who knowingly fails to do so is guilty
3 of a class 2 misdemeanor.

4 B. If a recipient is overpaid for whatever reason, the recipient is
5 liable for the amount of the overpayment. The department OF ECONOMIC
6 SECURITY with the concurrence of the department of law shall determine the
7 method of securing repayment which is most appropriate to the particular
8 situation. If there are insufficient assets or resources to justify
9 collection, if the recipient has not obtained assistance or services by
10 intentional misrepresentation or if the overpayment was due to an error on
11 the part of the department OF ECONOMIC SECURITY, the department may waive a
12 repayment by the recipient. The department OF ECONOMIC SECURITY, with the
13 assistance of the department of law, may institute appropriate court
14 proceedings to recover overpayments.

15 C. Each warrant issued as an assistance payment shall contain a
16 statement on the reverse side of the warrant relating to the recipient's
17 eligibility. The wording of this statement shall be determined by the
18 department.

19 Sec. 8. Section 46-217, Arizona Revised Statutes, is amended to read:

20 46-217. Finger imaging program; general assistance; temporary
21 assistance to needy families

22 A. The department shall establish a finger imaging program.

23 B. Every adult applicant FOR, adult recipient or eligible minor parent
24 ~~RECIPIENT of general assistance, Arizona works pursuant to article 9 of this~~
25 ~~chapter or temporary assistance for needy families as a condition of~~
26 ~~eligibility for assistance is required to be finger imaged as required by~~
27 ~~this section.~~

28 C. Finger images obtained pursuant to this section shall be used only
29 for the purposes of determining eligibility for temporary assistance for
30 needy families, ~~Arizona works pursuant to article 9 of this chapter and~~
31 ~~general assistance and preventing multiple enrollments in assistance programs~~
32 ~~and may not be accessed by any other agency of this state for another~~
33 ~~purpose.~~

34 D. The department shall adopt rules:

35 1. Setting forth the finger imaging requirements and any exceptions
36 to these requirements for physical or other impairment.

37 2. For administratively appealing multiple enrollment determinations.

38 E. An applicant for or recipient of temporary assistance for needy
39 families, ~~OR general assistance or Arizona works pursuant to article 9 of~~
40 ~~this chapter is not eligible for this assistance unless the adult applicant,~~
41 ~~adult recipient or eligible minor parent provides finger images pursuant to~~
42 ~~the finger imaging program.~~

43 F. If an adult applicant FOR, adult recipient or eligible minor parent
44 ~~RECIPIENT of temporary assistance for needy families, OR general assistance~~
45 ~~or Arizona works pursuant to article 9 of this chapter refuses to comply with~~

1 the finger imaging requirements the department shall deny these benefits to
2 the assistance unit.

3 G. If an adult applicant FOR, adult recipient or eligible minor parent
4 RECIPIENT of temporary assistance for needy families, OR general assistance
5 or Arizona works pursuant to article 9 of this chapter complies with the
6 finger imaging requirements and meets all other eligibility requirements, the
7 department shall approve these benefits. If the finger image of an
8 applicant, adult recipient or eligible minor parent for assistance matches
9 another finger image on file, a fraud investigator shall be notified and the
10 applicant or recipient shall be made aware of the match. If a finger image
11 is not accessed within a one year period, it shall be purged from the
12 file. If the investigator verifies the fraud, the department shall terminate
13 benefits. The applicant or recipient may appeal this termination pursuant
14 to section 46-205. If the match is appealed, the finger image match shall
15 be verified by a trained individual before the termination of benefits.

16 H. The director of the department of economic security shall report
17 to the chairperson of the senate appropriations committee and the chairperson
18 of the house of representatives appropriations committee on February 15,
19 1997, and each year thereafter as to the actual and projected savings from
20 reduced caseloads in the temporary assistance for needy families, OR general
21 assistance programs or Arizona works pursuant to article 9 of this chapter
22 directly attributable to the finger imaging program prescribed by this
23 section.

24 Sec. 9. Section 46-292, Arizona Revised Statutes, is amended to read:

25 46-292. Eligibility for assistance

26 A. Cash assistance may be given under this title to any dependent
27 child:

28 1. Who has established residence in Arizona at the time of application
29 and is either:

30 (a) A citizen by birth or naturalization.

31 (b) A qualified alien who entered the United States on or before
32 August 21, 1996.

33 (c) A qualified alien who entered the United States as a member of one
34 of the exception groups under Public Law 104-193, section 412, in which case
35 the person shall be determined eligible in accordance with Public Law
36 104-193.

37 ~~(d) For the purposes of subdivisions (b) and (c) of this paragraph,~~
38 ~~"qualified alien" means a person who is defined as a qualified alien under~~
39 ~~Public Law 104-193, section 431.~~

40 ~~(e)~~ (d) Defined as a qualified alien by the attorney general of the
41 United States under the authority of Public Law 104-208, section 501. FOR
42 THE PURPOSES OF SUBDIVISIONS (b) AND (c) OF THIS PARAGRAPH, "QUALIFIED ALIEN"
43 MEANS A PERSON WHO IS DEFINED AS A QUALIFIED ALIEN UNDER PUBLIC LAW 104-193,
44 SECTION 431.

1 2. Whose parent or parents or person or persons acting in the parents'
2 place, if employable, shall not refuse to accept available employment and if
3 any employable child in the family does not refuse to accept available
4 employment. The department shall assess the applicant's employability at the
5 time of initial application for assistance to establish a self-sufficiency
6 diversion option, if appropriate, before benefit issuance. The determination
7 of employability and the conditions under which employment shall be required
8 shall be determined by the state department, except that claimed
9 unemployability because of physical or mental incapacity shall be determined
10 by the state department in accordance with the provisions of this title.

11 3. Whose parent or parents or other relatives who are applying for or
12 receiving assistance on behalf of the child have not, within one year prior
13 to application, or while a recipient, transferred or assigned real or
14 personal property with the intent to evade federal or state eligibility
15 requirements. Transfer of property with retention of a life estate for the
16 purpose of qualifying for assistance is prohibited. Where fair consideration
17 for the property was received, no inquiry into motive is necessary. A person
18 found ineligible under this section shall be ineligible for such time as the
19 state department determines.

20 B. Qualified aliens entering the United States after August 21, 1996
21 are ineligible for benefits for a period of five years beginning on their
22 date of entry, except for Cuban and Haitian entrants as defined in section
23 501(e)(2) of the refugee education assistance act of 1980 and exceptions
24 provided under Public Law 104-193, (personal responsibility and work
25 opportunity reconciliation act of 1996) and Public Law 105-32, (balanced
26 budget act of 1997).

27 C. A parent or any other relative who applies for or receives cash
28 assistance under this title on behalf of a child shall cooperate with the
29 department by taking the following actions:

30 1. Providing information regarding the identity of the child's father
31 and mother and other pertinent information including their names, social
32 security numbers and current addresses or a sworn statement that attests to
33 the lack of this information and that is accompanied by facts supporting the
34 asserted lack of information.

35 2. Appearing at interviews, hearings and legal proceedings.

36 3. Submitting and having the child submit to genetic testing.

37 4. Signing authorizations for third parties to release information
38 concerning the applicant or the child, or both.

39 5. In cases in which parentage has not been established, providing a
40 sworn statement alleging paternity and setting forth facts establishing a
41 reasonable possibility of the requisite sexual contact between the parties.

42 6. Supplying additional information the department requires.

43 D. The department shall sanction a recipient who fails, without good
44 cause as prescribed in subsection E of this section, to cooperate with child

1 support enforcement efforts according to the sanction provisions of section
2 46-300.

3 E. One or more of the following circumstances constitute good cause
4 for failure to cooperate with child support enforcement efforts:

5 1. Cooperation may result in physical or emotional harm to the parent,
6 child for whom support is sought or caretaker relative with whom the child
7 is living.

8 2. Legal proceedings for adoption of the child for whom support is
9 sought are pending before a court.

10 3. The participant has been working, for less than ninety days, with
11 a public or licensed private social agency on the issue of whether to allow
12 the child for whom support is sought to be adopted.

13 4. The child for whom support is sought was conceived as a result of
14 sexual assault pursuant to section 13-1406 or incest.

15 F. A person claiming good cause has twenty days from the date the good
16 cause claim is provided to the agency to supply evidence supporting the
17 claim. When determining whether the parent or relative is cooperating with
18 the agency as provided in subsection C of this section, the agency shall
19 require:

20 1. If the good cause exception in subsection E, paragraph 1 of this
21 section is claimed, law enforcement, court, medical, criminal, psychological,
22 social service or governmental records or sworn statements from persons with
23 personal knowledge of the circumstances that indicate that the alleged parent
24 or obligor might inflict physical harm on the parent, child or caretaker
25 relative.

26 2. If the good cause exception in subsection E, paragraph 2 of this
27 section is claimed, court documents that indicate that legal proceedings for
28 adoption are pending before a court of competent jurisdiction.

29 3. If the good cause exception in subsection E, paragraph 3 of this
30 section is claimed, records from a public or licensed private social services
31 agency showing that placing the child for whom support is sought is under
32 consideration.

33 4. If the good cause exception in subsection E, paragraph 4 of this
34 section is claimed, law enforcement, court, medical, criminal, psychological,
35 social service or governmental records or sworn statements from persons with
36 personal knowledge of the circumstances surrounding the conception of the
37 child that indicate the child was conceived as a result of sexual assault
38 pursuant to section 13-1406 or incest.

39 G. Notwithstanding subsection A of this section and except as provided
40 in subsection H of this section, a dependent child or children who are born
41 during one of the following time periods are not eligible for assistance
42 under this title:

43 1. The period in which the parent or other relative is receiving
44 assistance benefits.

1 2. The temporary period in which the parent or other relative is
2 ineligible pursuant to a penalty imposed by the department for failure to
3 comply with benefit eligibility requirements, after which the parent or other
4 relative is eligible for a continuation of benefits.

5 3. Any period after November 1, 1995 that is less than sixty months
6 between a voluntary withdrawal from program benefits or a period of
7 ineligibility for program benefits which immediately followed a period during
8 which program benefits were received and a subsequent reapplication and
9 eligibility approval for benefits.

10 H. The following exceptions apply to the provisions of subsection
11 G of this section:

12 1. The department shall allow an increase in cash assistance under the
13 program for a dependent child or children born as a result of an act of
14 sexual assault as prescribed in section 13-1406 or 13-1406.01 or incest. The
15 department shall ensure that the proper law enforcement authorities are
16 notified of allegations of sexual assault or incest made pursuant to this
17 paragraph.

18 2. For those parents or other relatives who are currently authorized
19 for cash assistance the department shall allow an increase in cash assistance
20 under the program as a result of the birth of a child or children to the
21 parent or other relative only if the birth occurred within ten months of the
22 initial eligible month. The department may use only the additional child or
23 children who are born from the pregnancies covered in this subsection in
24 computing the additional benefit.

25 3. The department shall allow an increase in cash assistance for any
26 dependent child born to a parent who has not received cash assistance under
27 this title for at least twelve consecutive months if the child is born within
28 the period beginning ten months after the twelve consecutive month period and
29 ending ten months after the parent resumes receiving cash assistance.

30 4. A DEPENDENT CHILD OR CHILDREN WHO WERE BORN DURING A PERIOD IN
31 WHICH THE CUSTODIAL PARENT RECEIVED CASH ASSISTANCE THROUGH THE ARIZONA WORKS
32 PROGRAM SHALL BE ELIGIBLE TO RECEIVE ASSISTANCE UNDER THIS TITLE.

33 5. A DEPENDENT CHILD OR CHILDREN WHO WERE BORN WITHIN TEN MONTHS AFTER
34 THE CUSTODIAL PARENT RECEIVED CASH ASSISTANCE THROUGH THE ARIZONA WORKS
35 PROGRAM SHALL BE ELIGIBLE TO RECEIVE ASSISTANCE UNDER THIS TITLE.

36 1. The department shall calculate the sixty-month time period
37 referenced in subsection G, paragraph 3 of this section in the following
38 manner:

39 1. For persons who are receiving cash assistance on November 1, 1995,
40 the sixty-month time period begins on November 1, 1995. A subsequent
41 sixty-month time period begins immediately after the previous period ends if
42 the person is receiving cash assistance through two sixty-month periods. If
43 the individual is not receiving cash assistance at the end of the previous
44 sixty-month period, any subsequent sixty-month time period begins on the date

1 when cash assistance became effective again, regardless of when the person
2 received an actual payment.

3 2. For persons who begin receiving cash assistance after November 1,
4 1995, the sixty-month time period begins on the date cash assistance becomes
5 effective, regardless of when the person received an actual payment. A
6 subsequent sixty-month period begins as provided in paragraph 1 of this
7 subsection.

8 J. In calculating a parent's or any other relative's benefit increase
9 that arises from any general increase that has been approved for all program
10 recipients, the department shall not consider a child or children born under
11 the time periods listed in subsection G of this section.

12 K. For the parents or other relatives who have additional children for
13 whom they receive no cash assistance payment under subsection G of this
14 section, the department shall make any necessary program amendments or
15 request any necessary federal waivers to allow the parents or other relatives
16 to earn income in an amount equal to the disallowed cash assistance payment
17 without affecting their eligibility for assistance.

18 L. The director shall adopt rules:

19 1. To implement this section including rules to define the
20 investigatory steps which must be taken to confirm that an act of sexual
21 assault or incest led to the birth of a dependent child or children.

22 2. That require the department to inform both verbally and in writing
23 the parents and other relatives who are receiving assistance under this
24 article of the specific family planning services that are available to them
25 while they are enrolled as eligible persons in the Arizona health care cost
26 containment system.

27 M. Nothing in this section shall be construed to prevent an otherwise
28 eligible child who is not included in the family's calculation of benefits
29 under this article from being eligible for coverage under title 36, chapter
30 29 or for any services that are directly linked to eligibility for the
31 temporary assistance for needy families program.

32 N. Assistance shall not be denied or terminated under this
33 article because the principal wage earner works one hundred or more hours
34 per month.

35 O. The department shall include all income from every source available
36 to the person requesting cash assistance, except income that is required to
37 be disregarded by this subsection and as determined by the department in
38 rules. For the amount of income that is received from employment, each month
39 every employed person is entitled to receive an earned income disregard of
40 ninety dollars plus an additional thirty per cent of the remaining earned
41 income. A household that includes an employed person is entitled to an
42 earned income disregard equal to the actual amount billed to the household
43 for the care of an adult or child dependent household member, up to two
44 hundred dollars a month for a child under two years of age and up to one
45 hundred seventy-five dollars a month for each other dependent. This

1 dependent care disregard is allowed only if the expense is necessary to allow
2 the household member to become or remain employed or to attend postsecondary
3 training or education that is preparatory to employment.

4 P. Any parent or other relative who applies for or receives cash
5 assistance under this article on behalf of a dependent child who is between
6 six and sixteen years of age shall ensure that the child is enrolled in and
7 attending school. An initial applicant is ineligible for benefits until the
8 applicant's dependent children are verified to be enrolled in and attending
9 an educational program. The department of education shall assist the
10 department of economic security in obtaining verification of school
11 enrollment and attendance. The director of the department of economic
12 security may adopt rules for granting good cause exceptions from the
13 provisions of this subsection. The department of economic security shall
14 sanction a recipient who fails, without good cause, to ensure school
15 enrollment and attendance according to the provisions of section 46-300.

16 Q. Any parent or other relative who applies for or receives cash
17 assistance under this section on behalf of a dependent child shall ensure
18 that the child is immunized in accordance with the schedule of immunizations
19 promulgated pursuant to section 36-672. The director of the department of
20 economic security may adopt rules for granting good cause exceptions from the
21 provisions of this subsection. The department of economic security shall
22 sanction a recipient, in accordance with the provisions of section 46-300,
23 who fails, without good cause, to obtain the required immunizations for a
24 dependent child unless the recipient submits to the department of economic
25 security the documentation described in section 15-873.

26 Sec. 10. Section 46-294, Arizona Revised Statutes, is amended to read:
27 46-294. Duration of assistance

28 A. Any person who is eighteen years of age or older in an assistance
29 unit becomes ineligible for inclusion in the calculation of the cash
30 assistance grant after the person has received cash assistance awarded under
31 this article for twenty-four months during any consecutive sixty month time
32 period except:

33 1. A disabled or incapacitated adult.

34 2. A full-time caretaker of a disabled dependent person.

35 3. A recipient who is sixty-two years of age or older.

36 4. A participant in any department administered demonstration project
37 that subsidizes the wages of project participants by using monies from the
38 temporary assistance for needy families and food stamp programs.

39 5. Victims of domestic violence until their situation is resolved to
40 the degree that they may seek self-sufficiency.

41 B. The twenty-four month and sixty month limits do not begin until a
42 person has reached eighteen years of age.

43 C. The director may grant two four-month extensions of the twenty-four
44 month time limit to allow a person to complete a full-time academic,
45 vocational, job training or work study program that the department determines

1 is related to enabling the person to become self-sufficient. To qualify for
2 an extension, the person shall:

3 1. Have begun the program before losing eligibility for inclusion in
4 the cash assistance grant.

5 2. Demonstrate successful progress toward completion of the program.

6 D. The director shall adopt rules that provide for the granting of
7 extensions of the twenty-four month time limit if a recipient applies for an
8 extension and demonstrates that the recipient is unable to earn income equal
9 to the amount of the benefit that the recipient became ineligible to receive.

10 The application of the time limit to an adult recipient is presumed to be
11 fair and equitable. The recipient has the burden of proving that the
12 application of the time limit is unfair or inequitable because the recipient
13 has made a good faith effort, without success, to earn from legal employment
14 opportunities an amount equal to or greater than the amount of the cash
15 assistance for which the recipient will no longer be eligible. The
16 department shall work cooperatively with local job services offices to
17 provide the recipient with information on employment opportunities. An
18 extension shall not be granted pursuant to this subsection if any of the
19 following apply:

20 1. The recipient cannot demonstrate a good faith effort to seek
21 employment.

22 2. The recipient refuses, without good cause, to accept a bona fide
23 offer of legal employment, including part-time traditional or nontraditional
24 employment that would provide earnings equal to or greater than the portion
25 of the benefit for which the recipient is no longer eligible or for which the
26 recipient would no longer be eligible if an extension had not been granted
27 pursuant to this subsection.

28 3. The recipient cannot demonstrate or refuses to produce the good
29 cause reason or reasons for not accepting an offer of legal employment that
30 the department is aware has been made, including part-time traditional or
31 nontraditional employment that would provide earnings equal to or greater
32 than the portion of the benefit for which the recipient is no longer eligible
33 or for which the recipient would no longer be eligible if an extension had
34 not been granted pursuant to this subsection.

35 4. The recipient cannot demonstrate or refuses to produce the good
36 cause reason or reasons for voluntarily quitting a job held during the
37 current sixty month period as described in subsection F.

38 5. The recipient has been discharged for reasons of misconduct from
39 a job held during the current sixty month period as described in subsection
40 F.

41 6. The recipient cannot demonstrate or refuses to produce the good
42 cause reason or reasons for voluntarily acting to reduce employment earnings
43 from a job held during the current sixty month period as described in
44 subsection F.

1 7. The recipient cannot demonstrate that the recipient has cooperated
2 with the department during the extension application process.

3 E. The department shall provide a two year eligibility period for
4 transportation and postemployment education and training to individuals who
5 are eligible for services or benefits under temporary assistance for needy
6 families.

7 F. The department shall calculate the sixty month time period in the
8 following manner:

9 1. For persons who are receiving cash assistance benefits on November
10 1, 1995, the sixty month time period begins on November 1, 1995. A
11 subsequent sixty month time period begins immediately after the previous
12 period ends if the person is receiving benefits through two sixty-month
13 periods. If the individual is not receiving benefits at the end of the
14 previous sixty month period, any subsequent sixty month time period begins
15 on the date when assistance became effective again, regardless of when the
16 person received an actual payment.

17 2. For persons who begin receiving benefits after November 1, 1995,
18 the sixty month time period begins on the date assistance becomes effective,
19 regardless of when the person received an actual payment. A subsequent sixty
20 month period begins as provided in paragraph 1 of this subsection. The
21 department shall fund assistance to persons who receive less than one hundred
22 dollars a month from maintenance of effort dollars. Payments of less than one
23 hundred dollars are not included in the sixty month period if assistance is
24 paid from maintenance of effort dollars.

25 G. The department shall calculate the twenty-four month benefit
26 limitation in the following manner:

27 1. For persons who are receiving assistance benefits on November 1,
28 1995, the department shall count the first monthly benefit payment the person
29 received that covers a full month after November 1, 1995 as the first of the
30 twenty-four months.

31 2. For persons who begin receiving benefits after November 1, 1995,
32 the department shall count the first full month the person is covered,
33 regardless of when the person received a payment as the first of the
34 twenty-four months. The department shall ensure that no retroactive benefit
35 payment is counted toward the twenty-four month total if it covered a period
36 of time before November 1, 1995.

37 H. The department shall continue to perform cash assistance
38 eligibility determinations for persons who have reached their twenty-four
39 month maximum. Persons who have reached the maximum but are otherwise
40 eligible for cash assistance under this article continue to be eligible to
41 receive:

42 1. Job services that are provided pursuant to section 46-299.

43 2. Covered medical services that are provided pursuant to title 36,
44 chapter 29.

1 3. Any other services that are directly linked to eligibility for the
2 temporary assistance for needy families program.

3 I. The department shall make any necessary program amendments or
4 request any necessary federal waivers to allow assistance units who
5 experience a reduction in their total assistance grant due to the provisions
6 of this section to earn income equal to the amount that they became
7 ineligible to receive pursuant to subsection A of this section without
8 affecting their eligibility for cash assistance.

9 J. Nothing in this section shall be construed to alter the method used
10 by the department to determine eligibility for transitional benefits provided
11 pursuant to the family support act of 1988 (P.L. 100-485) or provided
12 pursuant to any demonstration project that the department or any other state
13 agency administers under a federal waiver.

14 K. ANY MONTH OR MONTHS OF ASSISTANCE RECEIVED BY A PERSON UNDER THE
15 ARIZONA WORKS PROGRAM BEFORE OCTOBER 1, 2002 OR RECEIVED UNDER THIS ARTICLE
16 SHALL NOT BE COUNTED AGAINST THE SIXTY MONTH LIFETIME LIMITATION OF THE
17 TEMPORARY ASSISTANCE FOR NEEDY FAMILIES ACT (P.L. 104-193).

18 Sec. 11. Section 46-300.01, Arizona Revised Statutes, is amended to
19 read:

20 46-300.01. JOBS program; privatization; definitions

21 A. BEGINNING ON OCTOBER 1, 2002, THE DEPARTMENT SHALL BEGIN PREPARING
22 A REQUEST FOR PROPOSALS FOR PRIVATIZATION THROUGHOUT THIS STATE FOR CASE
23 MANAGEMENT AND EMPLOYMENT SERVICES NECESSARY TO OPERATE THE JOBS
24 PROGRAM. THE DEPARTMENT SHALL ISSUE A REQUEST FOR PROPOSALS BY JANUARY 1,
25 2003 AND AT LEAST ONCE EVERY FIVE YEARS THEREAFTER. ~~No later than~~ ON July
26 1, 1998 2003, the department shall MAY BEGIN TO contract with a provider or
27 QUALIFIED providers for case management and employment services necessary to
28 operate the JOBS program BY JANUARY 1, 2004.

29 B. Providers eligible to compete for the JOBS program case management
30 and employment service contracts include private, for profit businesses,
31 nonprofit community organizations, community college districts and local and
32 tribal government entities. PROVIDERS MUST DEMONSTRATE THE ABILITY TO
33 PERFORM JOBS CASE MANAGEMENT SERVICES, PROVIDE QUALITY SERVICE AND BE
34 RESPONSIVE TO THE NEEDS OF THE RECIPIENTS. THE DEPARTMENT MAY REJECT ALL
35 PROVIDERS WHO PLACE BIDS PURSUANT TO THIS SECTION.

36 C. The JOBS program case management and employment services contracts
37 shall be written for ALL areas of this state in which qualified providers are
38 available. ~~, excluding areas that are specified as pilot privatization~~
39 ~~sites.~~ In establishing contracts for these services, the department may
40 adopt a service model for a particular county or region AREA of this state
41 that uses either a single provider or multiple providers. THE PROVIDERS MAY
42 BEGIN OPERATING THE JOBS PROGRAM IN AREAS OF THIS STATE BY JULY 1, 2003, AND
43 SHALL OPERATE THE JOBS PROGRAM IN AREAS OF THIS STATE BY JANUARY 1, 2004. A
44 PROVIDER MAY OPERATE IN MORE THAN ONE AREA OF THE STATE. THE SPECIFIC AREA
45 IN WHICH THE PROVIDER PERFORMS SERVICES SHALL BE DESCRIBED IN DETAIL IN THE

1 CONTRACT. THE CONTRACT SHALL INCLUDE PROVISIONS THAT MAKE THE CONTRACTOR
2 ACCOUNTABLE FOR PERFORMANCE AND MAY IMPOSE PENALTIES FOR FAILURE TO PERFORM
3 THE CONTRACT TERMS.

4 D. The department shall:

5 1. Make a determination whether qualified providers are available
6 based on response to requests for proposals the department issues.

7 2. Establish the provisions of the JOBS program case management and
8 employment services contracts.

9 3. Take immediate action, in the event of a provider failure, to
10 directly administer services until an alternative provider can be secured.

11 4. Continue to provide case management and employment services IN AN
12 AREA when no qualified providers have submitted proposals to provide these
13 services IN THE AREA. IN AREAS WHERE THERE ARE NO PROVIDERS OR AN
14 INSUFFICIENT NUMBER OF PROVIDERS, THE DEPARTMENT MAY CONTINUE TO ATTEMPT TO
15 PROCURE PRIVATE CONTRACTORS FOR THE AREA.

16 5. Hold all contracted providers of case management and employment
17 services accountable to specified performance measures and results with
18 payment for services based on performance.

19 E. DEPARTMENT OF ECONOMIC SECURITY EMPLOYEES WHO ARE DISPLACED BY
20 IMPLEMENTATION OF PRIVATIZATION OF THE JOBS PROGRAM AUTHORIZED BY THIS
21 SECTION SHALL RECEIVE PRIORITY CONSIDERATION FOR EMPLOYMENT BY THE PRIVATE
22 PROVIDER OR PROVIDERS BASED ON PRIOR TRAINING AND EXPERIENCE. EMPLOYMENT
23 OPTIONS FOR DISPLACED EMPLOYEES SHALL BE MADE AVAILABLE PURSUANT TO TITLE 41,
24 CHAPTER 4, ARTICLE 5.

25 F. CONTRACTED PAYMENTS FOR THE JOBS CASE MANAGEMENT SERVICES SHALL NOT
26 EXCEED THE TOTAL LEVEL OF FUNDING THAT IS MADE AVAILABLE TO THE DEPARTMENT
27 TO OPERATE THE JOBS PROGRAM, INCLUDING OTHER RELATED CHILD CARE AND SUPPORT
28 SERVICES, AS A DEPARTMENT PROGRAM. THE DEPARTMENT SHALL RETAIN SUFFICIENT
29 FUNDING TO ENSURE THE EFFICIENT OPERATION OF THE PROGRAM AND COMPLIANCE WITH
30 THE CONTRACT TERMS, STATE PLANS AND ALL FEDERAL AND STATE STATUTES AND RULES.

31 G. AFTER CONTRACTS ARE AWARDED PURSUANT TO THIS SECTION, THE DIRECTOR
32 MAY NEGOTIATE WITH ANY SUCCESSFUL BIDDER FOR THE EXPANSION OR CONTRACTION OF
33 SERVICES OR SERVICE AREAS IF THERE ARE UNNECESSARY GAPS OR DUPLICATIONS IN
34 SERVICES OR SERVICE AREAS.

35 H. PROCUREMENT UNDER THIS SECTION IS EXEMPT FROM TITLE 41, CHAPTER 25,
36 ARTICLE 2.

37 I. For THE purposes of this section:

38 1. "Case management services" includes:

39 (a) Developing individual employment EMPLOYABILITY plans.

40 (b) Assigning work activities.

41 (c) Referring persons, as necessary, to appropriate contracted
42 providers for employment, education, medical and counseling services.

43 (d) CHILD CARE ELIGIBILITY DETERMINATIONS FOR FAMILIES RECEIVING CASH
44 ASSISTANCE OR TRANSITIONING OFF OF CASH ASSISTANCE. CHILD CARE ELIGIBILITY

1 DETERMINATIONS DOES NOT INCLUDE CHILD CARE SERVICES PURSUANT TO SECTION
2 46-802, 46-805, 46-807, 46-808 OR 46-809.

3 2. "Department" means the department of economic security.

4 3. "Employment services" includes:

5 (a) Providing job readiness training.

6 (b) Assisting clients with job location and placement activities for
7 unsubsidized paid employment.

8 (c) Establishing and monitoring subsidized employment opportunities
9 and placement for individuals unable to obtain unsubsidized employment.

10 (d) Establishing and monitoring unpaid work experience and community
11 service opportunities and placement for those individuals needing this level
12 of assistance to move to paid employment.

13 (e) PROVIDING EMPLOYMENT RELATED SUPPORT SERVICES.

14 4. "JOBS program" means the program administered by the department of
15 economic security to implement the provisions of section 46-299.

16 Sec. 12. Section 46-340, Arizona Revised Statutes, is transferred and
17 renumbered for placement in title 46, chapter 2, article 5, Arizona Revised
18 Statutes, as section 46-300.06 and, as so renumbered, is amended to read:

19 46-300.06. Food bank assistance for welfare to work and low
20 income families program; annual report; definition

21 A. The department shall develop and implement a statewide program to
22 provide food assistance through food banks for welfare to work and low income
23 families with priority consideration for ~~Arizona works and empower welfare~~
24 TEMPORARY ASSISTANCE FOR NEEDY FAMILIES CASH ASSISTANCE recipients. The
25 department shall establish guidelines regarding the distribution of monies
26 and food bank services after consulting with food banks in the state.

27 B. The department shall submit an annual report to the president of
28 the senate, the speaker of the house of representatives, the governor and the
29 joint legislative committee on hunger detailing the amount of food bank
30 assistance and the number of persons receiving assistance given for Arizona
31 works recipients, empower welfare recipients and low income families.

32 C. For the purposes of this section, "food bank assistance" means
33 acquiring, storing, handling and distributing food products to families or
34 organizations serving families on welfare to work and low incomes.

35 Sec. 13. Section 46-341, Arizona Revised Statutes, is amended to read:

36 46-341. Definitions

37 In this article, unless the context otherwise requires:

38 1. "Agency" means an entity under contract with the department to
39 operate the Arizona works program.

40 2. "Arizona works" means the program to provide ~~temporary assistance~~
41 ~~for needy families~~ JOBS PROGRAM CASE MANAGEMENT AND EMPLOYMENT SERVICES
42 within the geographic areas of this state in which a private vendor has
43 entered into a contract with the state pursuant to this article.

44 3. ~~"Arizona works group" means a group consisting of a person who is~~
45 ~~a custodial parent, all dependent children with respect to whom the person~~

1 ~~is a custodial parent and any spouse of the person who resides in the same~~
2 ~~household as the person and any dependent children with respect to whom the~~
3 ~~spouse is a custodial parent.~~

4 ~~4. "Child only case" means an eligible child who is either:~~

5 ~~(a) In foster care as determined pursuant to title 8, chapter 5,~~
6 ~~article 1 or who is living with a nonparent relative or adult who has~~
7 ~~obtained a guardianship pursuant to title 14, chapter 5, article 2.~~

8 ~~(b) Resides with a parent who meets the Arizona works financial~~
9 ~~assistance criteria but does not meet the nonfinancial criteria for reasons~~
10 ~~other than noncooperation with providing requested information to the agency.~~

11 ~~5. 3. "Custodial parent" means, with respect to a dependent child,~~
12 ~~a parent who resides with that child and, if there has been a determination~~
13 ~~of legal custody with respect to the dependent child, has legal custody of~~
14 ~~the child.~~

15 ~~6. 4. "Dependent child" means a person who resides with a parent and~~
16 ~~who is under eighteen years of age.~~

17 ~~7. "Diversion option" means granting an amount of cash assistance to~~
18 ~~certain applicants who are eligible for Arizona works but who have only~~
19 ~~short-term cash assistance needs and for whom the diversion option is the~~
20 ~~most appropriate means to self-sufficiency.~~

21 ~~8. 5. "Individual responsibility EMPLOYABILITY plan" means an~~
22 ~~agreement between the agency and the participant regarding the participant's~~
23 ~~work activities and services provided by the agency.~~

24 ~~9. 6. "Job counselor" means a caseworker who is employed by the~~
25 ~~agency and who provides financial and employment counseling services to a~~
26 ~~participant.~~

27 ~~10. 7. "Minimum wage" means the federal minimum hourly wage under 29~~
28 ~~United States Code section 206(a)(1).~~

29 ~~11. 8. "Temporary assistance for needy families" means assistance~~
30 ~~granted under section 403 of title IV of the social security act as it exists~~
31 ~~after August 21, 1996.~~

32 ~~Sec. 14. Section 46-342, Arizona Revised Statutes, is amended to read:~~

33 ~~46-342. Privatization; exemption; goals; duties~~

34 ~~A. The state shall contract with an outside vendor to operate the~~
35 ~~Arizona works program IN DISTRICT I-E UNTIL SERVICES ARE PROVIDED UNDER~~
36 ~~SECTION 46-300.01 and shall comply with the requirements established pursuant~~
37 ~~to this article. The contract shall require the vendor to operate the~~
38 ~~Arizona works program within geographical areas of this state established by~~
39 ~~the Arizona works agency procurement board CONTRACT pursuant to section~~
40 ~~46-343 on a pilot basis to verify the vendor's ability to meet the contract~~
41 ~~requirements and accomplish the goals of the Arizona works program. If after~~
42 ~~four years of operation the vendor demonstrates to the satisfaction of the~~
43 ~~Arizona works agency procurement board and the independent evaluator that the~~
44 ~~vendor is meeting the contract and performance bond requirements and~~
45 ~~accomplishing the goals of the Arizona works program, the vendor shall~~

1 ~~operate the Arizona works program on a statewide basis if the legislature~~
2 ~~approves the decision of the board by legislative action. The Arizona works~~
3 ~~agency procurement board shall establish time frames for implementing the~~
4 ~~vendor's operation of the Arizona works program on a statewide basis, and the~~
5 ~~contract shall allow for adjustments to the vendor's compensation and the~~
6 ~~requirements and amount of the performance bond to reflect the vendor's~~
7 ~~expanded duties attendant with statewide operation of the Arizona works~~
8 ~~program.~~

9 8. The goals of privatizing the Arizona works program include:

10 1. Fostering the development of responsible and productive citizens
11 through program administration that provides participants with incentives to
12 achieve self-sufficiency.

13 2. Making certain administrative processes more efficient and
14 cost-effective.

15 3. Encouraging innovative partnerships with organizations that enhance
16 the Arizona works program.

17 4. Providing an opportunity for a system that is heavily dependent on
18 human interaction and subjective determinations to offer performance
19 incentives for employees and the flexibility to hire and promote successful
20 individuals.

21 5. ~~Ensuring that applicants who are qualified for benefits in the~~
22 ~~department of economic security empower redesign program, including any~~
23 ~~income disregards, are automatically qualified for the Arizona works program.~~

24 C. The contract process is exempt from title 41, chapter 23. ; but the
25 Arizona works agency procurement board shall adopt procurement policies and
26 procedures that are substantially equivalent to the policies and procedures
27 prescribed in title 41, chapter 23. The Arizona works agency procurement
28 board shall consider cost, quality of services, implementation plans and
29 other evaluative criteria in awarding the contract. The contract shall
30 contain performance based incentives as well as penalties to encourage
31 achievement of the following:

32 1. ~~Placement of individuals in paid employment.~~

33 2. ~~Placement of individuals in the highest, most appropriate~~
34 ~~employment placement level.~~

35 3. ~~Reductions in the length of stay on assistance.~~

36 4. ~~Reductions in the caseload.~~

37 D. The Arizona works agency shall:

38 1. Operate the Arizona works program as directed by statute, rule and
39 contract requirements.

40 2. Employ staff to perform the following functions:

41 (a) Information intake.

42 (b) Information verification.

43 (c) Assessment screening.

44 (d) PROVIDE JOBS CASE MANAGEMENT, EMPLOYMENT SERVICES AND RELATED
45 CHILD CARE AND SUPPORT SERVICES.

1 ~~(d) (e) Eligibility determinations for the Arizona works program, the~~
2 ~~general assistance program, the TEMPORARY ASSISTANCE FOR NEEDY FAMILIES~~
3 ~~RELATED child care program. and, subject to federal approval, the food stamp~~
4 ~~program and the Arizona health care cost containment system pursuant to~~
5 ~~section 36-2901, paragraph 4, subdivision (b) and section 36-2905.03,~~
6 ~~subsection 8. If the federal approval is not granted by November 15, 1998,~~
7 ~~the Arizona works agency and the department of economic security shall~~
8 ~~contract for department employees to perform eligibility functions for the~~
9 ~~food stamp and Arizona health care cost containment system programs in~~
10 ~~compliance with federal law. The contract shall provide for reimbursement~~
11 ~~to the department for all personnel costs for the employees that are~~
12 ~~provided. Eligibility determinations for any of the programs or assistance~~
13 ~~listed in this subdivision shall be made without regard to whether the person~~
14 ~~is eligible or ineligible for other listed programs or assistance, except~~
15 ~~that any person who qualifies for the department of economic security empower~~
16 ~~redesign program is automatically qualified for the Arizona works program.~~
17 ~~Eligibility determinations for the child care program shall include only~~
18 ~~families receiving cash assistance or transitioning off of cash assistance,~~
19 ~~and the Arizona works agency is not responsible for child care pursuant to~~
20 ~~sections 46-802, 46-805, 46-807, 46-808 and 46-809. If the federal approval~~
21 ~~is granted, persons who are only eligible for either or both of the food~~
22 ~~stamps and Arizona health care cost containment system programs shall have~~
23 ~~eligibility determined by the Arizona works agency.~~

24 3. Employ staff, if necessary, to meet the needs of participants who
25 are refugees or who have cultural or linguistic barriers to participation in
26 the Arizona works program.

27 4. Employ job counselors who are familiar with a variety of government
28 and nongovernment welfare assistance programs and who shall work with
29 participants to facilitate the participants' self-sufficiency by assessing
30 their financial situation and to develop DEVELOPING an individual
31 responsibility EMPLOYABILITY plan with the applicant.

32 5. Evaluate a participant's skills and experience to determine the
33 appropriate level of employment placement. if applicants choose to
34 participate in Arizona works. The job counselor shall evaluate the
35 participant's eligibility every six months.

36 6. Identify and encourage employers to provide permanent jobs for
37 persons eligible for Arizona works.

38 7. Coordinate with private sector and government entities to establish
39 a data-base DATABASE of employment opportunities for all placement levels in
40 Arizona works.

41 8. Offer at least a ten per cent savings in administrative cost, not
42 including starting costs of the phase-in program. The savings shall be
43 applicable in the second and subsequent years. The joint legislative budget
44 committee shall determine the current total direct and indirect cost of
45 administering the empower redesign program in the Arizona works pilot areas

1 ~~established pursuant to section 46-343, and the cost estimate including~~
2 ~~comparable costs and functions for the Arizona works program, shall be used~~
3 ~~by the Arizona works agency as the basis for the savings offered by this~~
4 ~~paragraph.~~

5 9. Deliver TO THE DEPARTMENT a performance bond at the time of
6 execution of the contract in an amount to be set by the Arizona works agency
7 procurement board, to be delivered to the department of economic security
8 CONTRACT.

9 10. Accept financial responsibility for any penalties or sanctions
10 imposed on this state by federal agencies for any function for which the
11 contractor is responsible under the Arizona works program pursuant to statute
12 or contract requirements.

13 11. Beginning on the date the contract is issued, provide bimonthly
14 progress reports to the joint legislative budget committee.

15 12. Pursue innovative, cost-effective means of ensuring child care
16 coverage pursuant to state law for Arizona works groups RECIPIENTS so that
17 Arizona works groups RECIPIENTS may avail themselves of as many child care
18 choices as possible.

19 E. Notwithstanding article 5 of this chapter, this article applies to
20 the provision of temporary assistance for needy families within the
21 geographic areas of this state in which a private vendor has entered into a
22 contract with the state, pursuant to this section, to operate the Arizona
23 works program.

24 F. Department of economic security employees who are displaced by
25 implementation of the Arizona works pilot program shall receive priority
26 consideration for employment by the program based on prior training and
27 experience. Employment options for displaced employees shall be made
28 available pursuant to title 41, chapter 4, article 5.

29 G. The Arizona works agency and this state may contract for either
30 party to provide services required pursuant to this title.

31 Sec. 15. Section 46-342.01, Arizona Revised Statutes, is amended to
32 read:

33 46-342.01. Contract provisions; performance based incentives;
34 cost savings

35 A. ~~In establishing performance based incentives pursuant to section~~
36 ~~46-342, subsection C, the Arizona works agency procurement board may include:~~

37 1. ~~An incentive from administrative savings achieved beyond the ten~~
38 ~~per cent savings in administrative costs required by section 46-342,~~
39 ~~subsection D, paragraph 8.~~

40 2. ~~An incentive of not more than twenty-five per cent of the caseload~~
41 ~~reduction savings, if any, realized by the Arizona works agency, as~~
42 ~~determined by the joint legislative budget committee pursuant to subsection~~
43 ~~8 of this section.~~

44 B. ~~From and after December 31, 2001, the auditor general shall conduct~~
45 ~~an annual audit of the Arizona works program. The auditor general shall~~

1 ~~provide annual audit reports to the president of the senate, the speaker of~~
2 ~~the house of representatives, the governor and the joint legislative budget~~
3 ~~committee on or before December 31 and shall provide a copy of this report~~
4 ~~to the secretary of state and the director of the Arizona state library,~~
5 ~~archives and public records.~~

6 ~~C. On or before February 15 of each year, the joint legislative budget~~
7 ~~committee shall determine the cash benefit dollar amount savings attributable~~
8 ~~to caseload reduction, if any, achieved for the previous calendar year by~~
9 ~~Arizona works.~~

10 ~~D. A. The Arizona works agency procurement board DEPARTMENT may SHALL~~
11 ~~award incentives from savings achieved pursuant to subsection A of this~~
12 ~~section to the Arizona works agency for satisfactory performance in meeting~~
13 ~~criteria as determined by the board DEPARTMENT, including:~~

14 1. Placement of participants in paid employment.
15 2. Participants' salaries and benefits in paid employment.
16 3. The number of participants in paid employment ninety days after
17 placement.

18 4. Work participation rates.
19 5. ~~Caseload reduction savings.~~

20 ~~E. B. The Arizona works agency may use any savings in administrative~~
21 ~~expenses above the ten per cent required by law or reduction of caseload,~~
22 ~~including any incentives derived from these savings, as awarded by the~~
23 ~~procurement board DEPARTMENT pursuant to section 46-342, subsection C and~~
24 ~~this section, to enhance services provided to persons eligible for the~~
25 ~~Arizona works program and to pay contractor incentives in accordance with the~~
26 ~~terms of the contract.~~

27 ~~C. THE DEPARTMENT AND THE VENDOR SHALL RENEGOTIATE THE CONTRACT WITHIN~~
28 ~~NINETY DAYS AFTER RECEIVING NOTICE OF ANY CHANGE IN FEDERAL OR STATE STATUTE,~~
29 ~~RULE OR POLICY AFFECTING THE TERMS OF THE CONTRACT.~~

30 ~~D. THE CONTRACT WITH THE VENDOR SHALL PROVIDE FOR A FINANCIAL PENALTY~~
31 ~~TO BE ASSESSED AGAINST THE VENDOR FOR NONCOMPLIANCE WITH THE RECORDKEEPING~~
32 ~~REQUIREMENT SPECIFIED IN THE CONTRACT.~~

33 Sec. 16. Section 46-345, Arizona Revised Statutes, is amended to read:
34 46-345. Evaluation; independent entity

35 A. At the end of the fourth year of the pilot program, an independent
36 evaluator selected by August 21, 1999 by the Arizona works agency procurement
37 board shall conduct and complete a performance review of the pilot program
38 that includes the following data:

39 1. Whether the outside vendor has met the requirements of the
40 contract.

41 2. Whether the outside vendor has met the goals of the Arizona works
42 program.

43 3. Whether the outside vendor has met the requirements of the
44 performance bond.

45 4. The fiscal impact of Arizona works implementation.

1 5. Client survey data designed, issued and collected by the evaluator
2 measuring client satisfaction with the program.

3 6. The impact of Arizona works on the placement of recipients in paid
4 employment, caseload reduction, development of community partnerships,
5 placement of individuals who were previously exempt under the job
6 opportunities and basic skills program before August, 1996, placement of
7 individuals with higher than average lengths of stay on the program, and
8 compliance with federal work participation rates.

9 7. A comparison of the Arizona works program with the department of
10 economic security empower redesign program with regard to the data listed in
11 paragraphs 4, 5 and 6 and similar data gathered by the department of economic
12 security, the auditor general and the joint legislative budget committee,
13 including information required for any annual report relating to welfare
14 reform implementation.

15 B. The report shall be submitted to the president of the senate, the
16 speaker of the house of representatives, the joint legislative budget
17 committee, ~~the Arizona works agency procurement board and the governor by~~
18 ~~January 1~~ DECEMBER 31, 2003-2002.

19 Sec. 17. Section 46-349, Arizona Revised Statutes, is amended to read:

20 46-349. Arizona works agency; employment; requirements;
21 education; exception

22 A. All persons ~~applying for~~ REFERRED TO the Arizona works program,
23 ~~except child only cases,~~ shall be required to meet with a job counselor to
24 assess their current financial circumstances. The job counselor shall be
25 familiar with a variety of governmental and nongovernmental assistance
26 programs. The person and the job counselor shall together determine the most
27 appropriate program for self-sufficiency and shall develop an individual
28 responsibility EMPLOYABILITY plan that must be signed by the applicant.

29 B. If the person chooses to use the services of the job counselor to
30 obtain employment and meets the requirements of section 46-346, the job
31 counselor shall assess the person's skills and experience and determine the
32 appropriate INDIVIDUAL EMPLOYABILITY PLAN. ~~level of employment into which~~
33 ~~the person should be placed. The four levels of employment in the Arizona~~
34 ~~works program are as follows:~~

35 1. ~~Level one placement is full-time unsubsidized employment and the~~
36 ~~job counselor shall assist the person in the employment search. In~~
37 ~~determining an appropriate placement for a participant, a job counselor shall~~
38 ~~give priority placement under this paragraph over placements under paragraphs~~
39 ~~2, 3 and 4 of this subsection.~~

40 2. ~~Level two placement is subsidized, paid employment in which a~~
41 ~~subsidy is provided to an employer that employs a person to improve the~~
42 ~~employability of the person through work experience and training to assist~~
43 ~~the person to move promptly to unsubsidized employment. A person may be~~
44 ~~required to work up to forty hours a week and shall be paid at least the~~
45 ~~minimum hourly wage. A level two placement is limited to six months with an~~

1 option to renew for three months at the discretion of the job counselor. The
2 job counselor shall reassess the person's employability after each six months
3 of a person's participation under this subsection. A person may participate
4 in more than one placement but may not exceed a total of twenty-four months
5 of participation under this paragraph. In determining the appropriate
6 placement for a person, a job counselor shall give priority to placement
7 under this paragraph over placements under paragraphs 3 and 4 of this
8 subsection.

9 3. Level three placement is a trial job that is an unsubsidized,
10 unpaid position the Arizona works agency has solicited from the community at
11 large to improve the employability of persons by providing work experience
12 and training to assist the person to move promptly to unsubsidized
13 employment. Persons may be required to work not more than thirty hours a
14 week in order to be eligible for the maximum monthly grant of three hundred
15 ninety dollars. The job counselor may require a participant placed in a
16 trial job to participate in education and training activities for not more
17 than ten hours a week. A level three placement is limited to six months with
18 an option to renew for an additional three months at the discretion of the
19 job counselor. The job counselor shall reassess the person's employability
20 after each six months of the person's participation under this paragraph. A
21 person may participate in more than one placement but may not exceed a total
22 of twenty-four months of participation under this paragraph. In determining
23 the appropriate placement for a person, a job counselor shall give priority
24 to placement under this paragraph over placement under paragraph 4 of this
25 subsection.

26 4. Level four placement is a community referral in which a participant
27 is allowed to choose from a variety of community and faith-based service
28 providers that are under contract with the Arizona works agency. Community
29 referral agencies shall provide mentoring and work activities designed to
30 improve the employability of persons by providing work experience and
31 training to assist them to move promptly to unsubsidized employment. Persons
32 may be required to work not more than twenty-five hours per week in order to
33 be eligible for the maximum monthly grant of three hundred fifty
34 dollars. The job counselor may require a participant placed in a community
35 referral to participate in education and training activities for not more
36 than fifteen hours a week. The job counselor shall reassess the person's
37 employability after each six months of the person's participation under this
38 paragraph. A person's participation under this paragraph shall not exceed
39 twenty-four months.

40 6. The Arizona works agency may grant an extension to the twenty-four
41 month time limits on employment placements on a case-by-case basis if the
42 participant has made all of the appropriate efforts to find unsubsidized
43 employment and has been unable to find employment because local labor market
44 conditions preclude a reasonable job opportunity for that participant, as
45 determined by the Arizona works agency.

1 D. ~~An applicant may appeal a determination that the individual is~~
2 ~~ineligible for Arizona works or a participant may appeal a sanction imposed~~
3 ~~by the job counselor pursuant to this section by filing a notice of appeal~~
4 ~~with the agency within five days after receiving notice of the sanction. A~~
5 ~~hearing officer appointed by the Arizona works agency shall conduct a hearing~~
6 ~~within thirty days after the notice of appeal is filed. The agency shall~~
7 ~~notify the participant of the time and place of the hearing at least five~~
8 ~~days before the hearing. The Arizona works agency shall adopt rules for~~
9 ~~hearing procedures. All decisions by the hearing officer are subject to~~
10 ~~review pursuant to title 41, chapter 6, article 10.~~

11 E. ~~At any time during the first sixty days after application, a job~~
12 ~~counselor may place a person in one of the employment placement levels. The~~
13 ~~job counselor must make a placement by the sixtieth day or the person is~~
14 ~~automatically referred to the level four placement.~~

15 F. ~~During the first sixty days after application, the job counselor~~
16 ~~may require the person to participate in a variety of job readiness, skill~~
17 ~~building or training activities designed to improve the person's~~
18 ~~employability.~~

19 G. ~~From the date of application until the person is placed in an~~
20 ~~employment placement, the person is eligible for a maximum monthly grant of~~
21 ~~three hundred fifty dollars.~~

22 H. ~~Participants placed in level three or four are not considered~~
23 ~~employees for purposes of title 23, chapter 4, except that workers'~~
24 ~~compensation benefits shall be provided by the Arizona works agency from~~
25 ~~temporary assistance for needy families monies pursuant to section 46-352,~~
26 ~~subsection H.~~

27 C. ~~UNLESS OTHERWISE EXEMPT, ALL PERSONS WHO ARE QUALIFIED TO RECEIVE~~
28 ~~BENEFITS UNDER THE DEPARTMENT'S EMPOWER REDESIGN PROGRAM SHALL BE IMMEDIATELY~~
29 ~~REFERRED TO THE ARIZONA WORKS PROGRAM.~~

30 I. ~~D. Unwed minor parents who are under twenty years of age and who~~
31 ~~have not attained their high school diploma or its equivalent, in order to~~
32 ~~satisfy the work requirements of Arizona works, are required to either~~
33 ~~maintain:~~

- 34 1. ~~Satisfactory attendance at a secondary school or the equivalent.~~
35 2. ~~Satisfactory participation in education directly related to~~
36 ~~employment.~~

37 J. ~~If placed in level three or four, for each hour the person misses~~
38 ~~scheduled employment preparation activities or employment without good cause,~~
39 ~~the Arizona works agency shall reduce the grant amount by three dollars~~
40 ~~twenty-five cents. The job counselor shall determine good cause. For~~
41 ~~placements under level two, the employer shall only pay the employee for the~~
42 ~~actual number of hours worked.~~

43 K. ~~E. A person placed in a level three or a level four placement~~
44 ~~REFERRED TO ARIZONA WORKS may be required to participate in education or~~
45 ~~training activities assigned as part of an INDIVIDUAL employability plan~~

1 developed by the Arizona works agency. The department shall establish by
2 rule permissible education and training that shall include job readiness
3 training, a course of study for the granting of a declaration of equivalency
4 of high school graduation, technical college courses and educational courses
5 that provide an employment skill, English as a second language courses and
6 adult basic education courses that the Arizona works agency determines would
7 facilitate a person's efforts to obtain employment.

8 F. The job counselor may require the participant to enroll in
9 training or education activities that facilitate the person's efforts to
10 obtain employment. Training and education activities are limited to job
11 readiness training, employment related training and education activities, a
12 course of study for the granting of a declaration of equivalency of high
13 school graduation, and English as a second language courses. The training
14 and education activities are in addition to the weekly work requirements and
15 together shall not total more than forty hours a week. A separate sum of
16 monies shall be provided exclusively for education and training as determined
17 by the legislature. Child care assistance shall be provided for all work
18 requirements and for all training and education activities approved by the
19 job counselor.

20 G. Child care assistance shall be provided for all education,
21 training and work activities required by the job counselor.

22 H. In two-parent families, child care may only be provided if both
23 parents are meeting their weekly work requirements.

24 Sec. 18. Section 46-350, Arizona Revised Statutes, is amended to read:
25 46-350. Excused absences

26 A. ~~Participants may request to be excused from assigned activities for~~
27 ~~reasons such as health problems, family emergencies and pregnancy ESTABLISH~~
28 ~~GOOD CAUSE THAT EXCUSES THE PARTICIPANT FROM ENGAGING IN WORK ACTIVITIES IN~~
29 ~~ACCORDANCE WITH RULES ADOPTED BY THE DEPARTMENT. The job counselor shall~~
30 ~~determine WHETHER GOOD CAUSE HAS BEEN ESTABLISHED. the appropriateness of~~
31 ~~the request. It is at the discretion of the job counselor whether the~~
32 ~~participant will be excused and, if so, the length of time a participant may~~
33 ~~be excused and still receive the full grant amount offered under the~~
34 ~~participant's employment placement.~~

35 B. ~~If the participant is pregnant she shall receive an excused absence~~
36 ~~from work during the last two weeks of pregnancy and up to twelve weeks after~~
37 ~~delivery, if requested. This time period may be extended on a written order~~
38 ~~from a doctor stating that it is medically necessary to refrain from these~~
39 ~~activities. During this excused absence, the parent is eligible for a~~
40 ~~monthly grant of three hundred ninety dollars per month or the amount offered~~
41 ~~under the parent's employment placement, whichever is less.~~

42 Sec. 19. Section 46-352, Arizona Revised Statutes, is amended to read:
43 46-352. Subsidized employment program

44 A. All employers, including public and private sector employers in
45 this state, are eligible to participate in the subsidized employment program.

1 The department shall adopt rules to establish a method of disqualifying
2 employers from participating in the program. No employer is required to
3 participate in the subsidized employment program.

4 B. The maximum number of program participants that any employer is
5 authorized to receive at any one time shall not exceed ten per cent of the
6 total number of the employer's employees, except that each employer may
7 receive at least one participant. The agency may adopt rules to waive the
8 limit in special circumstances.

9 C. The agency shall adopt rules establishing criteria for excluding
10 employers from participation for failure to abide by program requirements,
11 showing a pattern of terminating participants before the completion of
12 training or other demonstrated unwillingness to comply with the stated intent
13 of the program. The rules shall include a procedure for participating
14 employers to appeal the findings of the department regarding compliance with
15 project requirements.

16 D. The agency shall ensure that jobs made available to program
17 participants:

18 1. Do not require work in excess of forty hours a week.

19 2. Not be used to displace regular employees.

20 3. Pay a wage that is substantially like the wage paid for similar
21 jobs with the subsidized employer with appropriate adjustments for experience
22 and training but at least the federal minimum wage hourly rate.

23 E. Employers participating in the program shall:

24 1. Maintain health, safety and working conditions at or above levels
25 generally acceptable in the industry and no less than that of comparable jobs
26 offered by the employer.

27 2. Provide on-the-job training, including workplace mentoring, to the
28 degree necessary for the participants to perform their duties.

29 3. Agree to notify and assist project participants regarding the
30 federal advanced earned income tax credit.

31 4. Sign an agreement for each placement outlining the specific job
32 offered to the participant and agreeing to abide by all requirements of the
33 program. All agreements shall include provisions noting the employers'
34 responsibility to repay reimbursements if the employer violates program
35 rules.

36 5. Provide a written evaluation of the job performance of each program
37 participant for each thirty day period of the first ninety days of the
38 participant's employment. Copies of this evaluation shall be submitted to
39 the project participant and to the job counselor.

40 F. If an employer is a registered contractor, the participants'
41 enrollment in a training program approved by the bureau of apprenticeship and
42 training of the United States department of labor satisfies the provisions
43 of subsection E, paragraph 2 of this section.

1 G. The job counselor, to the extent feasible, shall ensure that job
2 assignments coordinate participant skills and experience with employer
3 requirements.

4 H. Employers shall provide workers' compensation coverage for each
5 participant they employ. ~~in levels 1 and 2 placement as determined in~~
6 ~~section 46-349 and the Arizona works agency shall provide workers'~~
7 ~~compensation to participants in levels 3 and 4 placement as determined in~~
8 ~~section 46-349.~~

9 I. Unless otherwise required by state or federal law, the provision
10 of health care coverage, other benefits, sick leave and holiday and vacation
11 absences to program participants shall conform to the individual employer's
12 rules for temporary employees.

13 J. If after six months in a placement a participant has not been hired
14 for an unsubsidized position and the employer and the participant agree to
15 continue the employment, the participant shall have a three month extension
16 if the employer allows the participant to undertake up to eight hours of job
17 search a week. For participants working under the three month extension,
18 participating employers shall consider up to eight hours a week of job search
19 time as hours worked for the purpose of paying wages. If after nine months
20 in a placement a participant has not been hired for an unsubsidized position,
21 the job counselor, with the concurrence of the participant, shall terminate
22 the placement and shall reassess the participant's employment needs pursuant
23 to section 46-349.

24 K. The employer may terminate the assignment by contacting the job
25 counselor, and the job counselor shall review the matter to determine whether
26 program guidelines have been followed by the employer and the participant.
27 If no violation of program requirements is found, the job counselor shall
28 reassess the needs and skills of the participant and assign the participant
29 to another program placement or to another component of the Arizona works
30 program and, at the employer's request, shall provide another program
31 participant as a replacement.

32 L. Each program participant shall agree to abide by the program's
33 employment guidelines, including job conduct and attendance requirements.

34 M. If the employer terminates the participant for wilful misconduct
35 during employment or if the participant refuses to comply with the provisions
36 of the program's employment requirements, refuses to accept a program
37 placement without good cause or establishes a pattern of early
38 self-termination from program placements, the job counselor shall ~~place the~~
39 ~~participant in level three or level four placement and impose a sanction as~~
40 ~~provided in section 46-351~~ NOTIFY THE DEPARTMENT. A person shall not be
41 deemed to be noncompliant with program employment requirements who refuses
42 a program job offered that either:

43 1. Is vacant due to any strike, lockout or other labor dispute.

44 2. Requires the individual to join a company union or to resign or
45 refrain from joining any bona fide labor organization.

1 N. Program participant wages are subject to federal and state income
2 taxes and social security taxes. Amounts for the taxes shall be withheld in
3 accordance with state and federal law.

4 O. The Arizona works agency shall reimburse the employer in the amount
5 of three hundred dollars for each participant.

6 P. If the Arizona works agency finds that a participating employer has
7 violated any subsidized employment requirements, the Arizona works agency:

8 1. Shall withhold any amounts due to employers pursuant to subsection
9 A of this section.

10 2. May seek repayment of any amounts paid to employers pursuant to
11 subsection A of this section.

12 Q. The directors of the department of economic security and the
13 Arizona health care cost containment system administration shall coordinate
14 information on program participants to ensure that any employer based or
15 otherwise available medical coverage is accounted for properly.

16 Sec. 20. Delayed repeal

17 A. Sections 46-343, 46-344, 46-347, 46-348, 46-351, 46-353 and 46-355,
18 Arizona Revised Statutes, are repealed from and after September 30, 2002.

19 B. Title 46, chapter 2, article 9, Arizona Revised Statutes, is
20 repealed from and after December 31, 2003.

21 Sec. 21. Contract modification; payments

22 A. The department of economic security and the Arizona works
23 contractor shall negotiate and modify the relevant sections of the Arizona
24 works contract to reflect the adjustment in services as specified in this
25 act.

26 B. Payments that are made to the Arizona works contractor for the
27 remaining duration of the Arizona works program shall be paid from monies
28 that are available to the department and shall not exceed the amount that is
29 otherwise available to the department for the operation of the JOBS case
30 management, employment services and related child care and support services
31 in the area.

32 Sec. 22. Powers and duties

33 Beginning on October 1, 2002, the department of economic security
34 succeeds to the powers and duties of the Arizona works procurement board.

35 Sec. 23. Delayed effective dates

36 A. Sections 46-292, 46-294, 46-300.01, 46-341, 46-342, 46-342.01,
37 46-345, 46-349, 46-350 and 46-352, Arizona Revised Statutes, as amended by
38 this act, are effective from and after September 30, 2002.

39 B. Section 46-300.06, Arizona Revised Statutes, as transferred,
40 renumbered and amended by this act, is effective from and after September 30,
41 2002.

42 C. Sections 23-901, 41-2771, 46-201, 46-203, 46-204, 46-211, 46-213
43 and 46-217, Arizona Revised Statutes, as amended by this act, are effective
44 from and after December 31, 2003.

APPROVED BY THE GOVERNOR JUNE 4, 2002.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JUNE 4, 2002.

Passed the House May 6, 2002,

by the following vote: 34 Ayes,

21 Nays, 5 Not Voting

[Signature]
Speaker of the House

[Signature]
Chief Clerk of the House

Passed the Senate February 4, 2002,

by the following vote: 20 Ayes,

5 Nays, 5 Not Voting
with Art. IX, Sec. 22

[Signature]
President of the Senate

Norma Lowe
Asst. Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

 day of , 20 ,

at o'clock M.

Secretary to the Governor

~~Approved this day of~~

~~, 20 ,~~

~~at o'clock M.~~

~~Governor of Arizona~~

S.B. 1037

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

~~This Bill was received by the Secretary of State~~

~~this day of , 20 ,~~

~~at o'clock M.~~

~~Secretary of State~~

HOUSE FINAL PASSAGE
as per Joint Conference

Passed the House May 22, 2002,

by the following vote: 37 Ayes,

19 Nays, 4 Not Voting

Jake Flake
Speaker of the House
Pro Tempore

Norman L. Moore
Chief Clerk of the House

SENATE FINAL PASSAGE
as per Joint Conference

Passed the Senate May 21, 2002,

by the following vote: 24 Ayes,

3 Nays, 3 Not Voting

Randall Arad
President of the Senate

Charmine Bellington
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor

this 23 day of May, 2002

at 10:55 o'clock A M.

Sandra Chang
Secretary to the Governor

Approved this 4th day of

June, 2002,

at 10:24 o'clock A M.

Janice K. Hull
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 4 day of June, 2002

at 5:31 o'clock P. M.

Patricia Bayless
Secretary of State

S.B. 1037